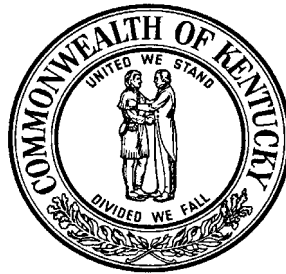


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
FORMER CASEY COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period December 1, 2005
Through November 30, 2006**



**CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS
www.auditor.ky.gov**

**105 SEA HERO ROAD, SUITE 2
FRANKFORT, KY 40601-5404
TELEPHONE (502) 573-0050
FACSIMILE (502) 573-0067**



CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

John R. Farris, Secretary, Finance and Administration Cabinet
The Honorable Johnnie Beard, Jr.
Former Casey County Property Valuation Administrator
The Honorable Eric Brown
Casey County Property Valuation Administrator
Liberty, Kentucky 42539

We have performed the procedures enumerated below, which were agreed to by the former Casey County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period December 1, 2005 through November 30, 2006. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Casey County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (November 30, 2006), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA maintains a receipts ledger, disbursements ledger, and reconciles bank records to books each month for all bank accounts. The November 30, 2006 bank reconciliation amounts were accurate for all bank accounts.

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Auditor confirmed with the city that there were no payments made by the city to the PVA during the audit period.



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(Continued)

3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

Auditor confirmed all payments made by the fiscal court to the PVA. Auditor compared the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Auditor traced the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

The 15 disbursements selected from the PVA records agreed to the cancelled checks, paid invoices or other supporting documentation and appeared to be for official business. Auditor reviewed all credit card statements and all charges appeared to be for official business.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

Auditor reviewed all disbursements and determined that there were no capital outlay disbursements made during the audit period. Therefore, no new assets were added to the PVA Capital Asset Inventory List.

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The Honorable Johnnie Beard, Jr.
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(Continued)

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

The copier service agreement appears to be appropriate, for official business, and properly authorized. No other lease agreements or contracts were discovered.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The PVA's final budget was compared to actual expenditures. The PVA appeared to have overspent his personal service and commodities and supplies account series. We recommend the PVA amend the original approved budget when expenditures in an account series exceed the budget amount.

Former PVA Johnnie Beard, Jr.'s response - No response.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if the PVA was sufficiently collateralized for the year and if a collateral agreement exists.

Finding -

It was determined that collateral was not necessary for the PVA's bank accounts. Therefore, no collateral agreement was necessary.

9. Procedure -

Determine whether timesheets are completed, maintained, and support hours worked.

Finding -

It was determined that attendance records are completed and submitted to the Department of Revenue via intranet bi-weekly. However, the PVA does not keep daily timesheets (only a record of time not worked). We recommend the PVA have employees keep daily timesheets of hours worked to support attendance records submitted to the Department of Revenue.

Former PVA Johnnie Beard, Jr.'s response - No response.

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The Honorable Johnnie Beard, Jr.
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Casey County Property Valuation Administrator
(Continued)

10. Procedure -

Determine whether cash balances were properly transferred from former PVA to new PVA.

Finding -

It was determined that cash balances were properly transferred from former PVA to new PVA.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen
Auditor of Public Accounts

Engagement fieldwork completed -
December 1, 2006

